

Sent via Email

December 10, 2021

[Justin.Trudeau@parl.gc.ca](mailto:Justin.Trudeau@parl.gc.ca)

The Right Honourable Justin Trudeau  
Prime Minister  
House of Commons  
Ottawa, Ontario  
K1A 0A6

[Chrystia.Freeland@parl.gc.ca](mailto:Chrystia.Freeland@parl.gc.ca)

Honourable Chrystia Freeland  
Deputy Prime Minister and  
Minister of Finance  
House of Commons  
Ottawa, Ontario  
K1A 0A6

[Seamus.Oregan@parl.gc.ca](mailto:Seamus.Oregan@parl.gc.ca)

Honourable Seamus O'Regan  
Minister of Labour  
House of Commons  
Ottawa, Ontario  
K1A 0A6

[marie-claude.bibeau@parl.gc.ca](mailto:marie-claude.bibeau@parl.gc.ca)

Honourable Marie-Claude Bibeau  
Minister of Agriculture and Agri-Food  
House of Commons  
Ottawa, Ontario,  
K1A 0A6

[dominic.leblanc@parl.gc.ca](mailto:dominic.leblanc@parl.gc.ca)

Honourable Dominic LeBlanc  
Minister of Intergovernmental  
Affairs, Infrastructure and  
Communities  
House of Commons  
Ottawa, Ontario  
K1A 0A6

[Jean-Yves.Duclos@parl.gc.ca](mailto:Jean-Yves.Duclos@parl.gc.ca)

Honourable Jean-Yves Duclos  
Minister of Health  
House of Commons  
Ottawa, Ontario  
K1A 0A6

[Omar.Alghabra@parl.gc.ca](mailto:Omar.Alghabra@parl.gc.ca)

Honourable Omar Alghabra  
Minister of Transport  
House of Commons  
Ottawa, Ontario  
K1A 0A6

[Mary.Ng@parl.gc.ca](mailto:Mary.Ng@parl.gc.ca)

Honourable Mary Ng  
Minister of International Trade  
House of Commons  
Ottawa, Ontario  
K1A 0A6

[Filomena.Tassi@parl.gc.ca](mailto:Filomena.Tassi@parl.gc.ca)

Honourable Filomena Tassi  
Minister of Public Services and  
Procurement  
House of Commons  
Ottawa, Ontario  
K1A 0A6

## Re: Proposed Federal Vaccine Mandate

Dear Ministers:

The Canadian Trucking Alliance (CTA) is disappointed to learn that our current exemption from the national vaccination mandate is being removed considering the immense impact this decision will have on an already beleaguered supply chain. At this point, it is clear the safest course of action would be to (re)consider a sectoral exemption for the trucking industry. It is difficult for our Board of Directors and general membership to accept how the Government of Canada could proceed with this policy knowing the risk it poses to the health of our nation's transportation-logistics infrastructure and overall economy. Nonetheless, we are asking the Government of Canada to work with our sector to find solutions to help to mitigate the impact to the supply chain as much as possible.

Throughout the pandemic, the CTA, the industry, and the Government of Canada have worked together to overcome a litany of challenges facing the supply chain. Before vaccines and PPE were widely available, the men and women of our industry continued to show up for work, keeping our stores stocked and our economy afloat. Through cooperation and compromise, we found ways to work together and to maintain relative stability in our supply chains. We should all be proud of these efforts.

As vaccines have become widely available, CTA has supported their use as the surest ways to mitigate the risk of spreading COVID-19. We will continue to promote vaccines as a solution. Beyond vaccines, our sector has worked tirelessly to ensure the safety of our workers. All major studies and pilots focusing on our sector proved trucking is accountable for extremely low rates of COVID-19 transmission and outbreaks.

Nonetheless, with these recent announcements, our industry and the Canadian supply chain are on the verge of an unmanageable situation. Careful consideration needs to be given to whether further impairment of the supply chain is worth the expectedly modest risk mitigation the mandate would bring to Canadians in its application to the trucking industry, specifically.

CTA estimates that, combined, the proposed vaccine mandate for cross-border truck drivers and the federal sector mandate announced by the Minister of Labour, would remove between 15,000 and 30,000 Canadian drivers from the interprovincial and international supply chains. The expected loss of transportation service capacity will trigger significant ripple effects throughout the entire economy.

However, the impacts of a domestic mandate would not stop at just drivers. While many key positions in our sector have very high vaccination rates, other job categories, which are also experiencing acute labour shortages, will need some relief from a proposed mandate. Additionally, a significant portion of the trucking industry is made up of small businesses in rural, underserved parts of Canada where internet connectivity and other infrastructure challenges remove some of the technological, work-from-home accommodations that many other sectors easily make available to their workers. This could lead to terminating jobs for many of the support workers who helped ensure critical products were delivered to Canadians throughout the pandemic.

To reinforce the importance of our sector to the integrated supply chain and its impact on everyday consumers, CTA commissioned Nanos Research in November to conduct a public opinion poll on several current key topics relating to the trucking industry. The poll showed that an overwhelming majority of Canadians – 83 percent – are concerned about supply chain fragility and feel that it's becoming harder to get goods. In Western Canada (the Prairies, in particular), almost 90% of respondents were very aware of the precarious supply issues rural and agricultural communities are facing.

Some general trends identified through CTA's outreach to members has shown that as driver exit rates enter the 10-percent range, fleets will begin to deprioritize and delist certain customers and certain transportation lanes. As driver exit rates climb towards 20 percent, the list of customers who won't be able to access service providers at all will grow significantly.

Since the cross-border mandates were announced, many fleets have already moved most of their unvaccinated drivers away from international lanes (north-south) and into domestic lanes (east-west). Consequently, with carriers prioritizing and allocating vaccinated drivers to north-south lanes (and will continue to do so based on market realities), it will be Canada's domestic/interprovincial trade that will suffer the most.

As a new mandate approaches, many fleets have reported to CTA that if their challenges in retaining drivers worsen, they would have little choice but to first drop customers who they ship to less frequently; as well as smaller accounts, followed by freight that is more challenging to move or locations that aren't driver or service-friendly. Other sectors, such as automotive, may also find severe challenges should they attempt to increase production capacity. While CTA continues to compile relevant data to share with stakeholders, early reports generally point to all commodities and sectors being impacted.

Additional industry feedback also points to agriculture, agri-food, livestock, remote and rural communities as being the first to most likely to suffer from severe impacts and service disruptions. For example, the livestock and foods sectors, as well as many other specializations within the industry – which in some cases report a 40% driver vaccination rate — would face unimaginable stress.

CTA does recognize that the Government of Canada will likely act to implement some form of mandate in the federal sector; but considering our significant concerns, CTA requests at a minimum:

- All truck drivers be exempt from this mandate;
- All mechanics be exempt from this mandate;
- All workers who primarily work outdoors be exempt from this mandate.
- Should the government proceed with the mandate as currently proposed, our industry would require a minimum of 12 months to prepare.

In all three cases, these workers have limited contact with others and spend most of their work time alone and away from the base workplace. They also practice a much higher degree of social distancing than the average worker or are outdoors where the risk of transmission is lowest.

While there would undoubtedly still be some supply chain disruptions even with the aforementioned exemptions in place, we believe that with these three critical job-classes accommodated, a 'shock event' to the economy may be avoidable and that the supply chain could find ways to stabilize in time.

CTA is under tremendous pressure from the industry to issue public statements on the current realities affecting the supply chain and the expected impacts this policy and other measures will have on the industry's already shrinking labour force and its ability to service customers and the public efficiently. There is a strong push within the carrier community to actively educate shippers, retailers and the public of these impending service disruptions.

Although this is not CTA's preference, as we are acutely aware how public statements could impact areas beyond our sector, the industry's concerns are very serious and very real. Anecdotally, there widespread reports of drivers who already started to leave the industry or retire (truck drivers are already one of the oldest workforces in Canada) in anticipation of both the cross-border and domestic mandates. While CTA will continue to promote vaccines in our industry, it's becoming very clear any mandate would only modestly increase vaccination rates at the expense of the operational and economic stability of the supply chain. The reality is, that only a small fraction of unvaccinated drivers would reconsider their stance on vaccines while many are fully entrenched in their views and are quite prepared to leave.

CTA has begun coordinating with many interested departments to arrange a briefing with some of our key members in the supply chain. This meeting will be held on December 17, 2021. We strongly encourage political staff to participate to listen directly to Canada's top trucking and logistics representatives explain their concerns and discuss general issues regarding the supply chain. With incredibly short timelines for consultation, this meeting will be the best – and final – chance to understand how this will impact the trucking industry and supply chain.

While we understand the Government of Canada has a difficult decision to make, we trust that you will give appropriate consideration to the economic impact this measure will have not just on our sector, but to the Canadian public as well. Should you wish to discuss our concerns or position in more detail, please do not hesitate to contact us directly.

Sincerely,

A handwritten signature in black ink, appearing to read 'S. Laskowski'.

Stephen Laskowski,  
President  
Canadian Trucking Alliance

Attach (1)

Sent via Email

December 8, 2021

[Justin.Trudeau@parl.gc.ca](mailto:Justin.Trudeau@parl.gc.ca)

The Right Honourable Justin Trudeau  
Prime Minister  
House of Commons  
Ottawa, Ontario,  
Canada K1A 0A6

[Chrystia.Freeland@parl.gc.ca](mailto:Chrystia.Freeland@parl.gc.ca)

Honourable Chrystia Freeland  
Deputy Prime Minister and  
Minister of Finance  
House of Commons  
Ottawa, Ontario,  
Canada K1A 0A6

[Jean-Yves.Duclos@parl.gc.ca](mailto:Jean-Yves.Duclos@parl.gc.ca)

Honourable Jean-Yves Duclos  
Minister of Health  
House of Commons  
Ottawa, Ontario  
K1A 0A6

[Omar.Alghabra@parl.gc.ca](mailto:Omar.Alghabra@parl.gc.ca)

Honourable Omar Alghabra  
Minister of Transport  
House of Commons  
Ottawa, Ontario  
K1A 0A6

[Marco.Mendicino@parl.gc.ca](mailto:Marco.Mendicino@parl.gc.ca)

Honourable Marco Mendicino  
Minister of Public Safety  
House of Commons  
Ottawa, Ontario  
K1A 0A6

[Melanie.Joly@parl.gc.ca](mailto:Melanie.Joly@parl.gc.ca)

Honourable Mélanie Joly  
Minister of Foreign Affairs  
House of Commons  
Ottawa, Ontario  
K1A 0A6

[Mary.Ng@parl.gc.ca](mailto:Mary.Ng@parl.gc.ca)

Honourable Mary Ng  
Minister of International Trade  
House of Commons  
Ottawa, Ontario  
K1A 0A6

[Sean.Fraser@parl.gc.ca](mailto:Sean.Fraser@parl.gc.ca)

Honourable Sean Fraser  
Minister of Immigration, Refugees  
and Citizenship  
House of Commons  
Ottawa, Ontario  
K1A 0A6

[Seamus.Oregan@parl.gc.ca](mailto:Seamus.Oregan@parl.gc.ca)

Honourable Seamus O'Regan  
Minister of Labour  
House of Commons  
Ottawa, Ontario  
K1A 0A6

[Filomena.Tassi@parl.gc.ca](mailto:Filomena.Tassi@parl.gc.ca)

Honourable Filomena Tassi  
Minister of Public Services and  
Procurement  
House of Commons  
Ottawa, Ontario  
K1A 0A6

## **Re: Border Vaccine Mandate and Impact on Supply Chain**

Dear Ministers:

The Canadian Trucking Alliance (CTA), which represents over 5000-member trucking companies, is once again asking the Government of Canada and the United States to jointly work with the trucking industry and its customers on both sides of the border to select a date that is less disruptive to the supply chain for enforcing the cross-border vaccine mandate. The supply chain is currently under significant stress. Losing any drivers moving Canada-US trade would exacerbate the fragility of the supply chain. January 2022 is not the appropriate date to impose the mandate on the supply chain and economy.

When the mandate was originally announced, CTA expected that upwards of 20% of the 120,000 Canadian truck drivers crossing the US-Canada border would have likely remained unvaccinated by January 2022. Of the 40,000 US-based truck drivers crossing the border, CTA estimated that upwards of 40% of these drivers would not be prepared to meet the vaccine mandate requirement.

Last week, CTA surveyed its Board of Directors of its provincial association partners on the impacts and preparation of the January cross-border vaccine mandate. What we have learned is that although carriers have

been able to modestly raise their driver vaccine rates, many Canadian fleets are still preparing for reductions in their driver pools between 10-20%, with some businesses in certain regions of Canada anticipating well over 20% loss of drivers. CTA wants to emphasize there are many fleets well above 90% vaccinated drivers; however, the clear indication from carriers is that many customers will suffer with various forms of service disruptions depending on the fleet's vaccination rates in January.

Attached to this letter is feedback CTA received last week from carriers across the country and how they are preparing for reductions of cross-border driver labour. A clear picture is emerging that certain customers who ship infrequently or have less shipments will be the first to suffer supply chain disruptions. As the driver exit rate creeps above 10% per fleet, fleets will begin to deprioritize and even delist certain customers and certain lanes. As driver exit rates move above 15%, the list of customers who won't be able to access service providers will expand. A list of potential sectors that are expected to be hardest hit with service disruptions is included in the attachment.

There are also pockets of fleets throughout Canada with vaccine rates well below the 80-percent vaccination rate floor CTA members specifically report. Vaccination rates below 80% would lead to significant service disruptions for customers who directly rely on such fleets or even connected to them through third-party logistics. It appears that agricultural-based communities serving the agriculture/food/food warehouses/livestock sectors would be impacted the most severely – meaning the retail end businesses that source from those sectors for products would be equally affected.

CTA will continue to work with our members to better assess this potential trend and provide feedback to the Government of Canada as it becomes available.

CTA also cautions governments that many carriers who are at full capacity are stating that their customers are still well below their historic manufacturing capacity. Therefore, when these manufacturing facilities ramp up production, there could be little-to-no ability for the trucking sector to find drivers to meet the demand. CTA is monitoring the auto sector as one sector where this could occur.

CTA is encouraging the Government of Canada and the United States to work with members of the supply chain on both sides of the border to select an alternative enforcement date for the vaccine mandate on cross-border truck drivers.

Sincerely,



Stephen Laskowski,  
President  
Canadian Trucking Alliance

Cc: John Horgan, Chair, The Council of the Federation, Premier of British Columbia, [premier@gov.bc.ca](mailto:premier@gov.bc.ca)  
Heather Stefanson, Vice-Chair, The Council of the Federation, Premier of Manitoba, [premier@leg.gov.mb.ca](mailto:premier@leg.gov.mb.ca)  
Perrin Beatty, President and Chief Executive Officer, Canadian Chamber of Commerce, [pbeatty@chamber.ca](mailto:pbeatty@chamber.ca)  
Mark Agnew, Senior Vice President, Policy and Government Relations, Canadian Chamber of Commerce, [MAgnew@chamber.ca](mailto:MAgnew@chamber.ca)  
Bob Costello, Chief Economist & Senior Vice President of International Trade Policy & Cross-Border Operations, American Trucking Associations, [bcostello@trucking.org](mailto:bcostello@trucking.org)  
Nate Giordano, Senior Manager, Americas, U.S. Chamber of Commerce: [NGiordano@USChamber.com](mailto:NGiordano@USChamber.com)

Attach: (1)

# Impact of US-Canada Vaccine Mandate on the Canadian Trucking Industry and Its Customer Base

## Background

The trucking industry moves, by value, close to 70% of the \$648 billion dollar Canada-US trade. In total, there are 160,000 truck drivers moving Canada-US trade – about 120,000 of these drivers are Canadian with the remaining 40,000 being American.

Throughout the pandemic, truck drivers, through various safety protocols introduced by their management teams and the supply chain, have remained safe from COVID-19 infection. Due to these measures, and the solitary nature of the truck driving occupation, the penetration of COVID-19 among our driving workforce was at a level well below the infection rate of the general population. In fact, various COVID-19 testing pilots focusing on the trucking industry provided further support for this statement – with zero or near zero infection rates detected.

The Canadian Trucking Alliance (CTA) has supported the introduction of vaccines and has worked with provincial governments to prioritize truck drivers for vaccinations. At the time, some provinces did prioritize drivers and others did not. Today, many trucking fleets are 100% vaccinated, with many others in the 86% range, or on par with Canada's national average (for 12 and older). However, there are also many fleets below this average. With close to 20,000 vacancies currently in the truck driving profession, the impact of imposing a full vaccination mandate in January will add further stress to a supply chain that is already in a fragile state.

## CTA Position on the Border Vaccination Mandate

CTA is asking Washington and Ottawa to jointly move the enforcement date of the border vaccination mandate to a date that would be less disruptive, as determined by all members of the supply chain. This date must be aligned and agreed upon bilaterally. If either country refuses to move from their January timeline, then the January dates must be enforced by both countries.

To prepare for a potential January implementation date, CTA would ask that the Government of Canada and the provinces work with the trucking industry to implement vaccine clinics near the border as soon as possible to raise vaccination rates.

CTA would also encourage both governments to implement severe fines and the use of a sophisticated detection system to effectively curtail the use of fraudulent vaccination passports. It is suspected that the use of these false documents will be employed by the non-compliant carrier base, otherwise known as [Driver Inc.](#) It is CTA's understanding that \$100,000 fines and potential jailtime for drivers could be applied in these circumstances and we would strongly support fines/punishment to the drivers at this level as a necessity to curb such behaviour.

CTA would also strongly encourage the federal government to work with the Alliance in dealing with the driver shortage by: (i) increasing access to training dollars for new entrants; (ii) creating a pilot program in the temporary foreign worker (TFW) program that would only allow Trusted Employer trucking companies to easily transition TFWs to permanent residents; (iii) Establish a Trusted Employer/Immigration Model for truck drivers.

## How the Trucking Industry is Preparing for the January Vaccine Mandate & The Impacts to Customer Base

CTA is continually asked what will happen to the supply chain should 10%-20% of truck drivers leave the US-Canada market. Below are some examples of how our members are preparing for the exit of drivers and the consequences expected for the supply chain when the January mandate comes into force.

### *Mandates Impact on Carriers/Driver Pool Since Washington-Ottawa Mandate Announcement:*

- The mandate announcement has had mixed effects to date on increasing vaccination rates within companies. While some fleets have seen their vaccination rates increase slightly, or have more drivers contemplating their vaccination status, drivers that were already entrenched in their opposition toward vaccines continue to resist.
- In some small-to-medium sized fleets, the driver vaccination rate reflects the overall vaccination rate within that region, with some regions in Canada well below the national average. This is not a reflection of drivers but of the attitude and acceptance of the populace in that region. These carriers will be decimated if this large of a percentage of their drivers cannot cross the border. In many instances these

carriers are the only carriers that support Canadian exports in that specific region. Their customers will be severely affected as well.

- Some carriers are holding off taking additional business until the full effects of the mandate on their operations are better understood.
- Some carriers have indicated they would need to drop their smaller customers because they simply don't have the trucks/drivers to service their lanes.
- Some drivers are currently considering a leave of absence from their company in response to the mandate.

#### *Freight That Will Be Reviewed/Removed from Service List:*

- The least driver-friendly freight will be dropped first, or smaller customers will be sacrificed at the expense of larger ones with more freight to move.
- Office furniture, building materials, food for retail sale, and grocery warehouses were identified as being some of the least driver-friendly locations/freight that see a loss in service levels.
- Loads with meat products that have a higher risk of being inspected or could involve some type of high-risk violation.
- More complicated product/deliveries will be dropped.
- The movement of livestock, which involves specialized expertise by these drivers, is also at significant risk.
- Infrastructure, as well as the mining/resource sector, could see disruption in service and as a result there will be downstream effects on the supply chain.

#### *What Percentage Decreases in Driver Pool Means to the Supply Chain*

- Customers in manufacturing are expressing to carriers their fear of a domino effect in their assembly/manufacturing process. For example, with delayed or cancelled loads of component parts into a sub-manufacturing facility, the assembled part will not be shipped to the destination facility for the end consumer product; and that facility will not be able to produce a salable product, even if all other components are received. As one CTA member put it, "the supply chain situation is difficult today for imports into North America. By making the supply chain artificially inefficient within North America, things will get worse – not better.
- Some carriers are already seeing US-based shippers take pre-emptive positions to secure services from Canadian carriers, as local US-based carriers start to reposition their priorities to avoid Canada in 2022. Many of these US shippers are very aggressive in their pursuit of Canadian trucks, which could result in less truck access for the Canadian exporter. These shippers are moving less than 10% of their volume to Canada on 10 trucks, for example, while Canadian-based shippers could be moving 50% of their volumes to the US on the same 10 trucks.
- A member of the food supply chain with North American operations has informed CTA that the carriers they utilize have vaccination rates in the 55-65% range with no signs of growing despite offers of increased pay and bonuses. The food supply chain is already over a week behind in processes and fears of significant loss of truck transportation are concerning shippers. More time for planning is required to adjust to this loss of trucks. There is a general belief that other agricultural sectors based in less populous regions are finding themselves in similar situations. The forecast reported to CTA is that cascading effects of a non-fluid supply chain is leading vendors in the US and suppliers in Canada to be adversely impacted.
- In general, a 10% loss of drivers in a fleet would start to effect operations and delays in customer pick-ups and deliveries. A 15% loss of drivers would severely impact customers service schedules, delay shipments, and lead a carrier to drop some customers. Losses at 20% would lead to service issues escalating significantly, with more customers needing to be dropped.
- As the percentage of the driver pool shrinks to within 5%-20%, carriers will concentrate more on core customers and delist non-core customers as well as expedited freight that emerges on daily/non-planned basis. The auto sector is a good example of expedited freight demand.
- At a 5% drop in drivers, carriers believe the small family businesses that ships Canada-US goods once a week will be the first to suffer, and most likely to be de-listed. Customer delivery times are also very likely to experience negative impacts.



- At a 10% loss, carriers expect that low-value goods/customers will struggle the most to find freight services.
- At 15%, the competitive impact on Canadian manufacturing will likely escalate as larger shippers could gain advantages in securing shrinking transportation capacity. It's debatable whether US or Canadian-based shippers would be impacted more severely.
- One fleet servicing the auto sector has a 97% vaccination record and the remaining 3% appear unlikely to be vaccinated. At just a 3% reduction in drivers, with little to no hope to replace them, this carrier expects a 30,000-mile reduction in fleet capacity.
- One major auto sector shipper has already rescinded their mandatory vaccine policy for trucking fleets that move their goods, as they have realized how disruptive this would have on their supply chain and goods movement.
- A livestock carrier reported to CTA that they and many of their competitors hover around 55-60% vaccine rates for cross-border drivers. Beyond supply chain issues for customers, carriers believe this could potentially create animal welfare challenges because there is not enough barn space in Canada. Furthermore, coming out of an extremely dry growing season, animal producers are importing record amounts of grain and feed from the US and are already having trouble finding sufficient truck capacity to cover those movements. Further reducing truck capacity in this market could be detrimental to the food supply chain and create additional animal welfare issues.
- Another carrier stated that a 5% loss of their driver pool would mean a loss of 144 loads a month (six million pounds of freight); At 10%, it would be 288 loads (12.5 million pounds of freight); and 15% would mean 432 less loads a month (19 million pounds of freight).